

a workers' cost of living index

At the time of writing the Labour Party's wage control policy, which masquerades under the title 'social contract' is under attack from a number of directions. The firemen have been forced back to work but tanker drivers and power engineers are preparing to act in support of their wage claims which will, if successful spell the death of the wage control policy. This is not the place to recite the dismal history of lies by Government and betrayals by union leaderships which have allowed the 'social contract' to stagger through 3 phases with promises of a fourth on the way. What I intend to discuss is the way statisticians should organise to assist in the formulation of pay policy for the working class in defence of its wages.

The 'social contract' has been a twofold attack on the living standards of the working class. Wage restrictions such as the 10% and 12 month rules have meant that the workers have been prevented from defending themselves against inflation. The outcome of this is what the 'Economist' described as 'the biggest recorded fall in the average Briton's real disposable income for over a hundred years'. In addition expenditure on public services has been drastically reduced on the orders of the IMF. (This despite the fact that the TUC originally agreed to wage control on the condition that public services were protected)

The 1977 round of Trade Union conferences saw increased attention being given to wage policies designed to compensate for the effects of inflation. Nearly a third of the votes of the TGWU conference were in favour of wage claims including automatic escalator clauses to be triggered by increases in the cost of living.

Of course this is not a new idea. The Heath Government operated a form of index linking and similar systems are operated in several European countries. In the USA many of the biggest industries have cost of living clauses in their nation wide 'master contracts'. So is index linking the answer to the problem of wages? Obviously not. The Heath policy for instance, allowed 40p per point of the Retail Price Index. Most analysts at that time thought that at least 60p per point was required to achieve full protection. In Italy, in March 1977 the index was rewritten so as to exclude the effect of the increase in the price of petrol. Clearly what is needed is monitoring of the cost of living by the workers themselves.

The Cowley Leyland factory has its own cost of living committee elected through the trades unions. In France a number of contracts are now based on a trades union price index, which moves faster than the government indices. In Britain there has been very little analysis by the left directed toward monitoring the cost of living. The intention of this note therefore is to propose a study by Radical Statistics of methods of monitoring the cost of living with a view to providing technical assistance to workers preparing wage claims and setting up cost of living committees. The work of such a group would include examination of the content of the various indices in use, including government series and others such as the Daily Mirror shopping basket. It would also have to consider international comparisons in practice. Anyone interested in this work is welcome to contact me through Radstats.